

MINUTES OF MEETING
OF
BOARD OF DIRECTORS

STATE OF TEXAS §
COUNTY OF EL PASO §
PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT NO. 11 §

The Board of Directors of Paseo del Este Municipal Utility District No. 11 of El Paso County held a regular meeting open to the public, on August 11, 2022, at its meeting place located outside of the District at the offices of TRE & Associates, LLC, 110 Mesa Park Drive, Suite 200, El Paso, Texas and via means of telephone conference number and Zoom Videoconference. The roll was called of the directors of the Board, to-wit:

Jose R. Soto	President
Darwin Voge	Vice President
Marisa Lascurain	Secretary
Alexandra Treviño	Assistant Secretary
Cynthia Ruiz	Assistant Secretary

All of said persons were present thus constituting a quorum. Also present and in attendance were Erika Duran of Inframark, LLC; Margaret Livingston of Franklin Mountain Land Services, LLC; Nadia Ganser of TRE & Associates; and Franklin Stubbs of Hunt Communities. Maria Urbina of Hilltop Securities; Tyler Wilson and Isaias Moreno of Municipal Accounts and Consulting, L.P.; and Joe Jimenez, paralegal, of Lloyd Gosselink Rochelle & Townsend, P.C. participated in the meeting via Zoom Videoconference.

1. The first item on the agenda was the review and approval of the minutes of the Board meeting of July 14, 2022. Upon a motion by Director Treviño and a second by Director Lascurain the minutes of said meeting were unanimously approved.

2. The next item before the Board was to consider public comments. No persons presented themselves to speak at the meeting or via Zoom Video and telephone conference. There was no action required by the Board on this agenda item. No action was taken by the Board.

3. The next item before the Board was to consider an update and information on activities of the Paseo del Este Municipal Utility District No. 1 (“MUD No. 1”). Ms. Livingston reported that mediation with El Paso Water Utilities Service Board is still ongoing. Ms. Livingston provided an update on the activities of MUD No. 1 within the Paseo del Este community; the status of the temporary field office and the storage and maintenance facility; and the five-year plan to address the landscape and pond maintenance needs of the Paseo del Este community.

4. The next item before the Board was to consider and discuss the District's tax rate recommendation, set the date for the public hearing on the District's tax rate, and authorize the publication of the notice of the public hearing. Ms. Urbina provided the Board with an update and status of the tax rate recommendation for the District. Ms. Urbina informed the Board that she has reviewed the certified appraised values of the taxable property within the District as provided by the El Paso Central Appraisal District and is consulting with the District's consultants on a final tax rate recommendation. Ms. Urbina reported that she will present her final tax rate recommendation to the Board at the next Board meeting.

Mr. Jimenez briefly informed the Board of the steps that the Board will need to take in setting the tax rate for the 2022 tax year (fiscal year ending September 30, 2022), including publishing a notice for a public hearing on the tax rate, which will take place on Thursday, September 8, 2022. For purposes of today's Board meeting, Mr. Jimenez informed the Board that it will (1) authorize Ms. Urbina and the District's consultants to finalize the tax rate for the 2022 tax year that will be included in the notice of the public hearing on the tax rate, (2) approve the date on which the public hearing will take place, and (3) approve the publication of the notice of the public hearing. Mr. Jimenez noted that the notice of the public hearing will be published in the El Paso Times newspaper. Mr. Jimenez noted that, following the public hearing, the Board will consider and adopt the tax rate and final operating budget of the District at the September Board meeting.

After further discussion, it was moved by Director Lascurain and seconded by Director Voge that the Board (1) authorize Ms. Urbina and the District's consultants to finalize the tax rate for the 2022 tax year that will be included in the notice of the public hearing on the tax rate, (2) approve the public hearing on the tax rate to take place on September 8, 2022, and (3) approve the publication of the notice of the public hearing in the El Paso Times newspaper, which motion carried unanimously.

5. The next item before the Board was to consider and discuss the District's preliminary operating budget for the fiscal year ending September 30, 2023. Mr. Wilson presented the preliminary operating budget to the Board and informed the Board that a copy of the preliminary operating budget was included in the agenda packet for their review. The Board took no action on this item. The Board will consider and adopt the final operating budget of the District at the September Board meeting.

6. The next item before the Board was to consider the operator's report. Ms. Duran next presented the operator's report, a copy of which is attached as **Exhibit "A"**. Ms. Duran reported that as of the end of June the District had 392 total connections, and that no new connections were added during the current month. Ms. Duran provided a brief summary of the activities for June to the Board on the following: (1) an update of activities and improvements to the District's distribution system; (2) an update on the population and occupancy rates during the current month; (3) an update on the number of delinquent accounts during the current month; and, (4) an update on the latest construction and maintenance activity within the Paseo del Este community and growth trends for the Paseo del Este MUD No. 11.

7. Ms. Ganser next presented the engineer's report and updated the Board on the status of development activity within the District and the Paseo del Este community. Further, Ms. Ganser informed the Board that in November 2021 the Board considered and authorized the District's consultant to proceed with the preparation and submission of bond application to the Texas Commission on Environmental Quality. However, after reviewing total appraised values of the taxable property within the District and consulting with the District's financial advisor and its developer, Ms. Ganser reported that the District's consultants recommended moving forward with a bond application next year in 2023.

Ms. Ganser next presented the following items for the Board's consideration and approval:

Emerald Estates, Unit Five
Water, Wastewater and Drainage Improvements
TRE No.: 1502-11763-35
Pay Estimate No. 4 from El Paso Underground Construction - \$223,681.50

Upon a motion by Director Lascurain and a second by Director Ruiz, the Board unanimously approved the processing for Pay Estimate No. 4 in the amount of \$223,681.50 from El Paso Underground Construction for construction of the Emerald Estates, Unit Five, Water, Wastewater, and Drainage Improvements. A copy of the District Engineer's letter for Pay Estimate No. 3 is attached hereto as **Exhibit "B"**.

8. Mr. Stubbs next presented the developer's report and updated the Board on the status of development activity within the District and the Paseo del Este community.

9. The Board next considered the bookkeeper's report, a copy of which is attached as **Exhibit "C"**. Mr. Wilson provided the Board with a list of disbursements and balances, and presented a list of bills for payment for the Board's review and approval. Upon a motion by Director Voge and a second by Director Lascurain, the Board unanimously approved the bookkeeper's report with the list of disbursements and balances, and the list of bills presented for payment.

10. There was no general counsel's report.

11. There being no further business before the Board, it was moved by Director Ruiz, and seconded by Director Voge, to adjourn the meeting, which motion carried unanimously.

Passed and approved this 8th day of September, 2022.



(DISTRICT SEAL)

A handwritten signature in blue ink, appearing to read "Alyssa", written over a horizontal line.

Secretary, Board of Directors